



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



STEVEN E. CHESTER
DIRECTOR

January 18, 2006

1. Bill Number and Sponsor:

House Bill (HB) 5508
Representative Phillip J. Pavlov et al

2. Purpose:

To amend 1984 PA 44, entitled the "Motor Fuels Quality Act." The bill mandates a lower volatility (Reid vapor pressure) or "low-RVP" gasoline than is currently required in Southeast Michigan during the summer months in 2007, and beyond. It also allows low-RVP gasoline in other areas of the state in the future, if determined to be a necessary control strategy. The bill also expands the definition of "dispensing facility" to include refueling of on-road and off-road vehicles, updates the act by deleting outdated stage II vapor recovery requirements, and allows for temporary variances, and establishes related fines to be deposited in an air quality mitigation fund created under this bill.

3. How This Legislation Impacts Current Programs in the Department:

The use of low-RVP is a major component of our strategy to bring Southeast Michigan into attainment with the National Ambient Air Quality Standards (NAAQS) for ozone. Our commitment to the U.S. Environmental Protection Agency (EPA) to secure early adoption of this fuel legislation and to adopt regulations lowering ozone-causing ingredients in various consumer products persuaded the EPA to require less prescriptive and onerous air quality control strategies in the Southeast Michigan area.

4. Introduced at Agency Request:

Requested by the Southeast Michigan Council of Governments (SEMCOG), with support of the Department's Air Quality Division (AQD).

5. Agency Support:

Yes. Department staff has been working closely with SEMCOG on this proposed legislation and supports it.

6. Arguments Against the Bill:

None.

7. Justification for the Department's Position:

This is a major component of our strategy to bring Southeast Michigan into attainment of the ozone standard. An attainment status would provide health and economic benefits and would eliminate the need for stricter controls, including emission offsets for new stationary source growth, and be less of a regulatory burden in the future.

The requirements of this bill would fulfill a Department commitment to the EPA and bring the area into attainment with the NAAQS for ozone as soon as possible.

8. State Revenue/Budgetary Implications:

Failure to attain the federal NAAQS by the required deadlines could subject the state to federal sanctions, including reduced highway funding and a ban on construction of new major stationary sources.

9. Implications to Local Units of Government:

Nonattainment status can have a significant impact on local economic development. Therefore, expeditious attainment of the NAAQS is strongly desired.

10. Administrative Rules Implications:

The provisions of this bill should not necessitate any rule changes.

11. Other Pertinent Information:

None.



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Department of Environmental Quality